

Message Text

CONFIDENTIAL

PAGE 01 CAIRO 07778 070954Z
ACTION NEA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 EPG-02 DODE-00 EB-07 FPC-01 H-01
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04
USIA-06 OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07
PRS-01 PA-01 /102 W
-----072310Z 070294 /66

R 061509Z MAY 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 4822

C O N F I D E N T I A L CAIRO 7778

E.O. 11652: GDS
TAGS: PFOR, ENRG, EG, US
SUBJECT: PROSPECTS FOR INCREASED OIL PRODUCTION FOR EGYPT

1. SPECIFIC MENTION OF EGYPT IN RECENT CIA REPORT ON
FUTURE ENERGY SUPPLIES (IN CONTEXT OF POTENTIAL FOR
INCREASING OIL PRODUCTION) NATURALLY HAS CAUGHT ATTENTION
OF EGYPTIANS. LEFTIST WEEKLY ROSE AL-YUSIF, APRIL 25,
ASKED QUESTION THAT IS ON MANY EGYPTIAN MINDS: IF
CIA KNOWS EGYPT IS FLOATING ON A POOL OF OIL, THEN WHY
ISN'T EGYPT PRODUCING AT A HIGHER RATE AND WHY ARE
INTERNATIONAL COMPANIES NOT FINDING OIL AT FASTER RATE?
ROSE CONCLUDES THAT INTERNATIONAL COMPANIES ARE HIDING
THEIR DISCOVERIES FROM EGYPT, THUS KEEPING EGYPT IN
CONSTANT STATE OF NEED. IN HIS SPEECH AT THE EGYPTIAN
NAVAL ACADEMY MAY 4, PRESIDENT SADAT CONFIDENTLY PREDICTED
THAT EGYPT WILL REACH ITS MILLION BARREL PER DAY PRODUCTION
TARGET BY 1980. PRESIDENT SAID "THIS IS WHY I SAY OUR
MAIN DIFFICULTIES AND HARDSHIPS WILL END IN 1980". SADAT
CITED CIA REPORT AS INDEPENDENT CONFIRMATION HIS BELIEF
PRODUCTION TARGET WILL BE MET.

2. ALTHOUGH FAR FETCHED, EGYPTIAN PENCHANT FOR SEEING
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CAIRO 07778 070954Z

THE CONSPIRATORIAL HAND IN ALL SITUATIONS AND CURRENT
IMPORTANCE OF INCREASING OIL PRODUCTION TO MEET SERIOUS
BALANCE OF PAYMENTS SHORTAGE MAKES ROSE'S COMMENTS ON
CIA REPORT AND PRESIDENT'S REFERENCE TO IT POTENTIALLY
DISTURBING. IN THIS CONNECTION, WHILE GOE CONFIDENTLY
EXPECTS THAT MILLION BARREL PER DAY PRODUCTION TARGET
CAN BE MET, AMOCO, COMPANY WHICH MUST BE DEPENDED UPON

FOR ANY SIGNIFICANT PRODUCTION EXPANSION, INSISTS THAT POSSIBILITY OF REACHING EVEN 850,000 BPD TOTAL PRODUCTION BY 1980 IS UNLIKELY. MANY OTHER AMERICAN AND FOREIGN OILMEN IN CAIRO, ON THE OTHER HAND, QUIETLY OBSERVE THAT AMOCO OPERATIONS ARE EXTREMELY CONSERVATIVE AND IMPLY THAT GREATER OIL PRODUCTION, EVEN FROM EXISTING FIELDS, IS POSSIBLE. MINPET HILAL UNDOUBTEDLY AWARE THESE COMMENTS RE AMOCO OPERATIONS AND, AS WE HAVE MENTIONED IN THE PAST, AS 1980 APPROACHES WE ANTICIPATE MORE AGGRESSIVE GOE POLICY TOWARDS AMOCO IN FORM URGING GREATER PRODUCTION. THIS NOTWITHSTANDING FACT THAT CURRENT RELATIONS WITH AMOCO ARE EXCELLENT.

3. WE MUST EXPECT THAT APPARENTLY MINOR MENTION OF EGYPT IN CIA REPORT WILL BE USED BY GOE, AS NEEDED, TO PUT GREATER PRESSURE ON AMOCO TO INCREASE PRODUCTION. THUS, CIA REPORT IS LIKELY TO BE VIEWED BY AMOCO AND OTHER PRODUCERS AS POTENTIALLY UNHELPFUL TO THEIR OPERATIONS HERE AND THEIR RELATIONS WITH GOE.

4. ACTION REQUESTED: WOULD APPRECIATE WHATEVER BACKUP FIGURES ARE AVAILABLE FOR CIA STATEMENT ON EGYPT; SINCE WE MAY WELL BE ASKED BY GOE FOR COPY OF REPORT AND EXPLANATION.
EILTS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION
Control Number: n/a
Copy: SINGLE
Sent Date: 06-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CAIRO07778
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770161-1093
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770587/aaaacwro.tel
Line Count: 87
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 96c68a99-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2620295
Secure: OPEN
Status: NATIVE
Subject: PROSPECTS FOR INCREASED OIL PRODUCTION FOR EGYPT
TAGS: PFOR, ENRG, EG, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/96c68a99-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009